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DE RUEHKT #0448/01 0460733 ZNY CCCCC ZZH O 150733Z FEB 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 0341 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 3951 RUEHLM/AMEMBASSY COLOMBO PRIORITY 4204 RUEHKA/AMEMBASSY DHAKA PRIORITY 9278 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2190 RUEHLO/AMEMBASSY LONDON PRIORITY 3610 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9226 RUEAIIA/CIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

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DEPT FOR SA/INS NSC FOR RICHELSOPH

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TAGS: PREL PGOV PHUM PREF NP

SUBJECT: PANDEY PREVIEWS POSSIBILITY OF OUTREACH TO THE

PARTIES

REF: A. KATHMANDU 430

¶B. KATHMANDU 410 ¶C. KATHMANDU 409

Classified By: Ambassador James F. Moriarty, reasons 1.4 (b/d)

SUMMARY

 $\P1.$ (C) In a February 14 meeting with the Ambassador, Foreign Minister Pandey suggested that the King could, in his scheduled February 19 address to the nation, make an outreach to the Parties calling for an alliance of political forces, if the King could be assured of a positive response from the Parties beforehand. Pandey asked the Ambassador to continue to mediate between Nepali Congress (NC) leader G.P. Koirala and himself. He had asked that the Ambassador postpone his February 15 speech, in hopes that Pandey could succeed in getting the King to give the "alliance" speech. The Ambassador stressed that he could neither continue to mediate nor postpone the speech. Pandey expressed hope that the King would initiate reconciliation before President Bush's March visit to New Delhi. Pandey asserted that China had postponed an upcoming high level visit over Nepal's stance on Tibetan refugees. The Ambassador welcomed Pandey's recent letter to Assistant Secretary Rocca on Bhutanese refugees, which the international community hoped could lead to progress on this issue. End Summary.

PANDEY GIVES PREVIEW OF KING'S DEMOCRACY DAY ADDRESS

12. (C) In a February 14 meeting with the Ambassador, Foreign Minister Ramesh Nath Pandey explained that an "alliance" between the democratic forces and the Palace was needed. (Note: Pandey mentioned the "alliance" plan subsequent to stating that he had a "useful" meeting with the King on February 10; thus the alliance language could be a preview of the King's February 19 Democracy Day address to the nation. End Note.) The Foreign Minister commented that, in addition to an alliance between democratic forces and the Palace, the need of the nation was peace and the desire of the people was democracy. Pandey stressed that the alliance would have to

work quickly to find ways to achieve peace so that all democratic forces could participate in national elections within a year. Pandey noted that he did not consider the Maoists one of the democratic forces to be involved in the alliance.

AMBASSADOR: MEETING WITH KOIRALA LAID GROUNDWORK

13. (C) The Ambassador told Pandey that he had followed through on the Foreign Minister's request and had met with NC leader G.P. Koirala. On February 10 Koirala had explained he was unwilling to meet with Pandey due to the possible appearance of conspiring alone with the government without the consent of the other leaders of the seven-party alliance (ref A). While Pandey pressed the Ambassador to continue to mediate between Koirala and himself, the Ambassador explained that he had laid the groundwork for dialogue in his February 10 meeting with Koirala. Koirala had stated he would respond positively if the King publicly reached out. Pandey requested that the Ambassador not discuss his meeting with Koirala in his February 14 meeting with Vice-Chairman Giri (septel), to which the Ambassador agreed.

PANDEY UNHAPPY WITH TIMING OF AMBASSADOR'S SPEECH

¶4. (C) The Ambassador outlined the content of his planned February 15 speech, which would include harsh language about the King's failure to restore fundamental democracy and to effectively handle the Maoist insurgency. He added that the speech would mention the urgency for reconciliation to begin quickly and would include a warning to the Parties that the 12-point understanding was drawing them into the Maoist's agenda and a suggestion that they renounce Maoist violence.

Pandey worried that the timing of the speech could harm his plans to convince the King to initiate reconciliation in his February 19 address and requested the Ambassador to delay his a couple of days. The Ambassador reiterated that the speech was primarily geared toward reconciliation and stressed that he could not postpone it. The Ambassador also mentioned that he had written an op-ed piece covering similar points that would appear in the February 15 Asian Wall Street Journal, to which Pandey had no concerns.

CHINESE DELEGATION DELAYED DUE TO PRESSURE ON REFUGEES

¶5. (C) Pandey stated that the reason for the postponement of Chinese State Counselor Tang Jiaxuan's scheduled February 16-18 visit was China's displeasure over Nepal's stance on Tibetan refugees. Pandey explained that the Chinese Ambassador had met with him first to explain the trip would be postponed, and a second time to inform him that Tang would come March 15-17 after two important meetings concluded in Beijing. Pandey noted that, while the Chinese government was unhappy with Nepal's stance on Tibetan refugees, the postponement of the trip was thus far the only action taken against Nepal.

PANDEY HOPEFUL FOR MOVEMENT ON RECONCILIATION BEFORE PRESIDENT'S VISIT TO INDIA

16. (C) The Ambassador stated that Nepal would be on the agenda for the President's trip to New Delhi scheduled for March and said he hoped the President's visit would positively influence Indian actions toward reconciliation and the Maoist insurgency. Pandey stated that he hoped to make "dramatic" progress with his reconciliation plan before the President's trip. Pandey seemed to understand that a lack of movement toward reconciliation before the President's visit could negatively affect the Government of Nepal's interests.

AMBASSADOR THANKFUL FOR LETTER TO ROCCA ON BHUTANESE

17. (C) The Ambassador thanked Pandey for his letter on Bhutanese refugees to South Asia A/S Rocca, noting that it had been well received in Washington. The Ambassador commented that, while he hoped for a positive response from the Bhutanese, the international community would in any event appreciate the letter and Nepal's intent to move toward a solution regardless of Bhutan's response (ref B).

COMMENT

18. (C) Pandey's mention of an "alliance of democratic forces" indicates that the King may well take a conciliatory approach in his February 19 Democracy Day address. However, Pandey also left enough room to blame external factors if the King opted instead to announce a plan to go ahead with parliamentary elections instead of first attempting to reconcile with the Parties.

MORIARTY